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## 2SSB 6082 - H COMM AMD By Committee on Capital Budget

1 Strike everything after the enacting clause and insert the 2 following:

- 3 "Sec. 1. RCW 79A.15.010 and 1990 1st ex.s. c 14 s 2 are each 4 amended to read as follows:
- 5 The definitions set forth in this section apply throughout this 6 chapter.
- 7 (1) "Acquisition" means the purchase on a willing seller basis of 8 fee or less than fee interests in real property. These interests 9 include, but are not limited to, options, rights of first refusal, 10 conservation easements, leases, and mineral rights.
- 11 (2) "Committee" means the interagency committee for outdoor 12 recreation.
  - (3) "Critical habitat" means lands important for the protection, management, or public enjoyment of certain wildlife species or groups of species, including, but not limited to, wintering range for deer, elk, and other species, waterfowl and upland bird habitat, fish habitat, and habitat for endangered, threatened, or sensitive species.
  - (4) "Local agencies" means a city, county, town, <u>federally</u> <u>recognized Indian</u> tribe, special purpose district, port district, or other political subdivision of the state providing services to less than the entire state.
  - (5) "Natural areas" means areas that have, to a significant degree, retained their natural character and are important in preserving rare or vanishing flora, fauna, geological, natural historical, or similar features of scientific or educational value.
- 26 (6) "Riparian habitat" means land adjacent to water bodies, as well
  27 as submerged land such as streambeds, which can provide functional
  28 habitat for salmonids and other fish and wildlife species. Riparian
  29 habitat includes, but is not limited to, shorelines and near-shore
  30 marine habitat, estuaries, lakes, wetlands, streams, and rivers.

1 (7) "Special needs populations" means physically restricted people or people of limited means.

- ((<del>(7)</del>)) (8) "State agencies" means the state parks and recreation commission, the department of natural resources, the department of general administration, and the department of fish and wildlife.
  - (9) "Trails" means public ways constructed for and open to pedestrians, equestrians, or bicyclists, or any combination thereof, other than a sidewalk constructed as a part of a city street or county road for exclusive use of pedestrians.
- $((\frac{(8)}{(8)}))$  (10) "Urban wildlife habitat" means lands that provide 11 habitat important to wildlife in proximity to a metropolitan area.
- (((9))) (11) "Water access" means boat or foot access to marine waters, lakes, rivers, or streams.
- **Sec. 2.** RCW 79A.15.030 and 2000 c 11 s 66 are each amended to read 15 as follows:
- (1) Moneys appropriated for this chapter shall be divided ((equally between the habitat conservation and outdoor recreation accounts and shall be used exclusively for the purposes specified in this chapter))

  as follows:
- 20 <u>(a) Appropriations for a biennium of forty million dollars or less</u>
  21 <u>must be allocated equally between the habitat conservation account and</u>
  22 <u>the outdoor recreation account.</u>
  - (b) If appropriations for a biennium total more than forty million dollars, the money must be allocated as follows: (i) Twenty million dollars to the habitat conservation account and twenty million dollars to the outdoor recreation account; (ii) any amount over forty million dollars up to fifty million dollars shall be allocated as follows: (A) Twenty-five percent to the habitat conservation account; (B) twenty-five percent to the outdoor recreation account; and (C) fifty percent to the riparian protection account; and (iii) any remaining amounts over fifty million dollars must be allocated as follows: (A) One-third to the habitat conservation account; (B) one-third to the outdoor recreation account; and (C) one-third to the riparian protection account.
- 35 (2) Except as otherwise provided in this act, moneys deposited in 36 these accounts shall be invested as authorized for other state funds, 37 and any earnings on them shall be credited to the respective account.

(3) All moneys deposited in the habitat conservation ((and)), outdoor recreation, and riparian protection accounts shall be allocated as provided under RCW 79A.15.040 ((and)), 79A.15.050, and section 6 of this act as grants to state or local agencies for acquisition, development, and renovation within the jurisdiction of those agencies, subject to legislative appropriation. The committee may use or permit the use of any funds appropriated for this chapter as matching funds where federal, local, or other funds are made available for projects within the purposes of this chapter.

- (4) Projects receiving grants under this chapter that are developed or otherwise accessible for public recreational uses shall be available to the public ((on a nondiscriminatory basis)).
- (5) The committee may make grants to an eligible project from ((both)) the habitat conservation ((and)), outdoor recreation, and riparian protection accounts and any one or more of the applicable categories under such accounts described in RCW 79A.15.040 ((and)), 79A.15.050, and section 6 of this act.
- (6) The committee may accept private donations to the habitat conservation account, the outdoor recreation account, and the riparian protection account for the purposes specified in this chapter.
- 21 (7) The committee may apply up to three percent of the funds 22 appropriated for this chapter for the administration of the programs 23 and purposes specified in this chapter.

NEW SECTION. Sec. 3. A new section is added to chapter 79A.15 RCW to read as follows:

In a county in which public land, federal land, and tribal land together constitute more than seventy percent of the total area of the county, a state or local agency must consult with the appropriate county or city legislative authority with jurisdiction over the project area prior to applying for funds for acquisition of property under this chapter. Project applications that do not include a letter of support from the county or city legislative authority must be given lower priority in the grant evaluation process. If a project application does not include a letter of support from the appropriate county or city legislative authority, but is recommended for funding by the committee, this information must be included in the prioritized list submitted to the governor and the legislature under RCW 79A.15.060 and 79A.15.070.

1 **Sec. 4.** RCW 79A.15.040 and 1999 c 379 s 917 are each amended to 2 read as follows:

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- (1) Moneys appropriated for this chapter to the habitat conservation account shall be distributed in the following way:
- (a) Not less than thirty-five percent for the acquisition and development of critical habitat;
- (b) Not less than twenty percent for the acquisition and development of natural areas;
- (c) Not less than fifteen percent for the acquisition and development of urban wildlife habitat; ((and))
- (d) ((The remaining amount shall be considered unallocated and)) 11 Not less than ten percent through June 30, 2011, at which time the 12 13 amount shall become five percent, shall be used by the committee to 14 fund ((high priority acquisition and development needs for critical habitat, natural areas, and urban wildlife habitat. During the fiscal 15 biennium ending June 30, 2001, the remaining amount reappropriated from 16 17 the fiscal biennium ending June 30, 1999, may be allocated for matching grants for riparian zone habitat protection projects that implement 18 watershed plans under the program established in section 329(6), 19 chapter 235, Laws of 1997)) restoration and enhancement projects on 20 21 state lands. Only the department of natural resources and the department of fish and wildlife may apply for these funds to be used on 22 existing habitat and natural area lands; and 23
  - (e) The remaining amount shall be considered unallocated and shall be used by the committee to fund high priority acquisition and development needs for critical habitat, natural areas, and urban wildlife habitat.
  - (2) In distributing these funds, the committee retains discretion to meet the most pressing needs for critical habitat, natural areas, and urban wildlife habitat, and is not required to meet the percentages described in subsection (1) of this section in any one biennium.
  - (3) Only state agencies may apply for acquisition and development funds for  $((\frac{\text{critical habitat and}}{\text{habitat and}}))$  natural areas projects under subsection  $(1)((\frac{\text{(a)}_{+}}{\text{(a)}}))$  (b) $((\frac{\text{(a)}_{+}}{\text{(a)}}))$  of this section.
- 35 (4) State and local agencies may apply for acquisition and development funds for <u>critical habitat and</u> urban wildlife habitat 37 projects under subsection (1)(a) and (c) ((and (d))) of this section.
  - (5)(a) Any lands that have been acquired with grants under this

- section by the department of fish and wildlife are subject to an amount in lieu of real property taxes and an additional amount for control of noxious weeds as determined by RCW 77.12.203.
- (b) Any lands that have been acquired with grants under this section by the department of natural resources are subject to payments in the amounts required under the provisions of sections 10 and 11 of this act.
- 8 Sec. 5. RCW 79A.15.050 and 2003 c 184 s 1 are each amended to read 9 as follows:

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- (1) Moneys appropriated for this chapter to the outdoor recreation account shall be distributed in the following way:
- (a) Not less than ((twenty-five)) thirty percent to the state parks and recreation commission for the acquisition ((and)), renovation, or development of state parks, with at least ((seventy-five)) fifty percent of ((this)) the money for acquisition costs((. However, between July 27, 2003, and June 30, 2009, at least fifty percent of this money for the acquisition and development of state parks must be used for acquisition costs));
- 19 (b) Not less than ((twenty-five)) thirty percent for the 20 acquisition, development, and renovation of local parks, with at least 21 fifty percent of this money for acquisition costs;
- (c) Not less than ((fifteen)) twenty percent for the acquisition and development of trails;
  - (d) Not less than ten percent for the acquisition and development of water access sites, with at least seventy-five percent of this money for acquisition costs; ((and))
  - (e) Not less than five percent for development and renovation projects on state recreation lands. Only the department of natural resources and the department of fish and wildlife may apply for these funds to be used on their existing recreation lands; and
  - (f) The remaining amount shall be considered unallocated and shall be distributed by the committee to state and local agencies to fund high priority acquisition and development needs for parks, trails, and water access sites.
- 35 (2) In distributing these funds, the committee retains discretion 36 to meet the most pressing needs for state and local parks, trails, and 37 water access sites, and is not required to meet the percentages 38 described in subsection (1) of this section in any one biennium.

1 (3) Only local agencies may apply for acquisition, development, or 2 renovation funds for local parks under subsection (1)(b) of this 3 section.

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- (4) Only state and local agencies may apply for funds for trails under subsection (1)(c) of this section.
- (5) Only state and local agencies may apply for funds for water access sites under subsection (1)(d) of this section.
- 8 <u>NEW SECTION.</u> **Sec. 6.** A new section is added to chapter 79A.15 RCW 9 to read as follows:
  - (1) The riparian protection account is established in the state treasury. The committee must administer the account in accordance with chapter 79A.25 RCW and this chapter, and hold it separate and apart from all other money, funds, and accounts of the committee.
  - (2) Moneys appropriated for this chapter to the riparian protection account must be distributed for the acquisition and enhancement or restoration of riparian habitat. All enhancement or restoration projects, except those qualifying under subsection (9)(a) of this section, must include the acquisition of a real property interest in order to be eligible. At least fifty percent of riparian protection account funds must be used for the acquisition of real property interests.
  - (3) State and local agencies and lead entities under chapter 77.85 RCW may apply for acquisition and enhancement or restoration funds for riparian habitat projects under subsection (1) of this section. Other state agencies not defined in RCW 79A.15.010, such as the department of transportation and the department of corrections, may enter into interagency agreements with state agencies to apply in partnership for funds under this section.
  - (4) The committee may adopt rules establishing acquisition policies and priorities for distributions from the riparian protection account.
- 31 (5) Except as provided in RCW 79A.15.030(7), moneys appropriated 32 for this section may not be used by the committee to fund staff 33 positions or other overhead expenses, or by a state, regional, or local 34 agency to fund operation or maintenance of areas acquired under this 35 chapter.
- 36 (6) Moneys appropriated for this section may be used by grant recipients for costs incidental to restoration and acquisition,

1 including, but not limited to, surveying expenses, fencing, and 2 signing.

- (7) The committee may not approve a local project where the local agency share is less than the amount to be awarded from the riparian protection account. In-kind contributions, including contributions of a real property interest in land may be used to satisfy the local agency's share.
- (8) State agencies receiving grants for acquisition of land under this section must pay an amount in lieu of real property taxes equal to the amount of tax that would be due if the land were taxable as open space land under chapter 84.34 RCW, plus an additional amount for control of noxious weeds equal to that which would be paid if such lands were privately owned. The county assessor and county legislative authority shall assist in determining the appropriate calculation of the amount of tax that would be due under chapter 84.34 RCW.
- (9) In determining acquisition priorities with respect to the riparian protection account, the committee must consider, at a minimum, the following criteria:
- (a) Whether the project continues the conservation reserve enhancement program. Applications that extend the duration of leases of riparian areas that are currently enrolled in the conservation reserve enhancement program shall be highly considered in the process. Such applications are also eligible for an additional conservation lease of at least twenty-five years of duration;
- (b) Whether the projects are identified or recommended in a watershed planning process under chapter 247, Laws of 1998, salmon recovery planning under chapter 77.85 RCW, or other local plans, such as habitat conservation plans, and these must be highly considered in the process;
  - (c) Whether there is community support for the project;
  - (d) Whether there is an immediate threat to the site;
- (e) Whether the quality of the habitat is improved or, for projects including restoration or enhancement, the potential for restoring quality habitat including linkage of the site to other high quality habitat;
  - (f) Whether the project is consistent with a local land use plan, or a regional or statewide recreational or resource plan. The projects that assist in the implementation of local shoreline master plans

updated according to RCW 90.58.080 or local comprehensive plans updated according to RCW 36.70A.130 must be highly considered in the process; and

(g) Whether the site has educational or scientific value.

- (10) Before November 1st of each even-numbered year, the committee will recommend to the governor a prioritized list of projects to be funded under this section. The governor may remove projects from the list recommended by the committee and will submit this amended list in the capital budget request to the legislature. The list must include, but not be limited to, a description of each project and any particular match requirement.
- **Sec. 7.** RCW 79A.15.060 and 2000 c 11 s 67 are each amended to read 13 as follows:
  - (1) The committee may adopt rules establishing acquisition policies and priorities for distributions from the habitat conservation account.
  - (2) Except as provided in RCW 79A.15.030(7), moneys appropriated for this chapter may not be used by the committee to fund ((additional)) staff positions or other overhead expenses, or by a state, regional, or local agency to fund operation ((and)) or maintenance of areas acquired under this chapter((, except that the committee may use moneys appropriated for this chapter for the fiscal biennium ending June 30, 2001, for the administrative costs of implementing the pilot watershed plan implementation program established in section 329(6), chapter 235, Laws of 1997, and developing an inventory of publicly owned lands established in section 329(7), chapter 235, Laws of 1997)).
  - (3) Moneys appropriated for this chapter may be used <u>by grant</u> <u>recipients</u> for costs incidental to acquisition, including, but not limited to, surveying expenses, fencing, and signing.
  - (4) ((Except as provided in subsection (5) of this section,)) The committee may not approve a local project where the local agency share is less than the amount to be awarded from the habitat conservation account.
  - (5) ((During the fiscal biennium ending June 30, 2001, the committee may approve a riparian zone habitat protection project established in section 329(6), chapter 235, Laws of 1997, where the local agency share is less than the amount to be awarded from the habitat conservation account.

- 1 (6)) In determining acquisition priorities with respect to the 2 habitat conservation account, the committee shall consider, at a 3 minimum, the following criteria:
  - (a) For critical habitat and natural areas proposals:
  - (i) Community support for the project;

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- 6 (ii) Recommendations as part of a watershed plan or habitat
  7 conservation plan, or a coordinated regionwide prioritization effort,
  8 and for projects primarily intended to benefit salmon, limiting
  9 factors, or critical pathways analysis;
  - (iii) Immediacy of threat to the site;
- 11 ((<del>(iii)</del>)) <u>(iv)</u> Uniqueness of the site;
- 12  $((\frac{iv}{iv}))$  <u>(v)</u> Diversity of species using the site;
- 13  $((\frac{v}))$  (vi) Quality of the habitat;
- 14 ((<del>(vi)</del>)) <u>(vii)</u> Long-term viability of the site;
- 15 ((<del>(vii)</del>)) <u>(viii)</u> Presence of endangered, threatened, or sensitive 16 species;
  - ((<del>(viii)</del>)) <u>(ix)</u> Enhancement of existing public property;
- 18 ((<del>(ix)</del>)) <u>(x)</u> Consistency with a local land use plan, or a regional 19 or statewide recreational or resource plan, including projects that 20 <u>assist in the implementation of local shoreline master plans updated</u> 21 <u>according to RCW 90.58.080 or local comprehensive plans updated</u> 22 according to RCW 36.70A.130; ((<del>and</del>)
- (x)) (xi) Educational and scientific value of the site;
- 24 <u>(xii) Integration with recovery efforts for endangered, threatened,</u>
  25 or sensitive species;
  - (xiii) For critical habitat proposals by local agencies, the statewide significance of the site.
- 28 (b) For urban wildlife habitat proposals, in addition to the 29 criteria of (a) of this subsection:
  - (i) Population of, and distance from, the nearest urban area;
  - (ii) Proximity to other wildlife habitat;
- 32 (iii) Potential for public use; and
- 33 (iv) Potential for use by special needs populations.
- ((<del>(7)</del>)) (6) Before ((October)) November 1st of each even-numbered year, the committee shall recommend to the governor a prioritized list of state agency projects to be funded under RCW 79A.15.040(1) (a), (b), and (c). The governor may remove projects from the list recommended by the committee and shall submit this amended list in the capital budget request to the legislature. The list shall include, but not be limited

to, a description of each project; and shall describe for each project 1 2 any anticipated restrictions upon recreational activities allowed prior 3 to the project.

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((<del>8)</del>)) (7) Before ((<del>October</del>)) <u>November</u> 1st of each <u>even-numbered</u> year, the committee shall recommend to the governor a prioritized list of all local projects to be funded under RCW 79A.15.040(1) (a) and (c). 7 The governor may remove projects from the list recommended by the committee and shall submit this amended list in the capital budget request to the legislature. The list shall include, but not be limited to, a description of each project and any particular match requirement, and describe for each project any anticipated restrictions upon recreational activities allowed prior to the project.

- Sec. 8. RCW 79A.15.070 and 2000 c 11 s 68 are each amended to read 13 as follows: 14
  - (1) In determining which state parks proposals and local parks proposals to fund, the committee shall use existing policies and priorities.
  - (2) Except as provided in RCW 79A.15.030(7), moneys appropriated for this chapter may not be used by the committee to fund ((additional)) staff or other overhead expenses, or by a state, regional, or local agency to fund operation ((and)) or maintenance of areas acquired under this chapter((, except that the committee may use moneys appropriated for this chapter for the fiscal biennium ending June 30, 2001, for the administrative costs of implementing the pilot watershed plan implementation program established in section 329(6), chapter 235, Laws of 1997, and developing an inventory of publicly owned lands established in section 329(7), chapter 235, Laws of 1997)).
  - (3) Moneys appropriated for this chapter may be used by grant recipients for costs incidental to acquisition and development, including, but not limited to, surveying expenses, fencing, and signing.
  - (4) The committee may not approve a project of a local agency where the share contributed by the local agency is less than the amount to be awarded from the outdoor recreation account.
  - (5) The committee may adopt rules establishing acquisition policies and priorities for the acquisition and development of trails and water access sites to be financed from moneys in the outdoor recreation account.

- 1 (6) In determining the acquisition and development priorities, the 2 committee shall consider, at a minimum, the following criteria:
  - (a) For trails proposals:

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- (i) Community support for the project;
- 5 (ii) Immediacy of threat to the site;
- 6 (iii) Linkage between communities;
  - (iv) Linkage between trails;
- 8 (v) Existing or potential usage;
- 9 (vi) Consistency with ((an existing)) <u>a</u> local land use plan, or a 10 regional or statewide recreational or resource plan, including projects 11 <u>that assist in the implementation of local shoreline master plans</u> 12 <u>updated according to RCW 90.58.080 or local comprehensive plans updated</u>
- 13 <u>according to RCW 36.70A.130</u>;
- 14 (vii) Availability of water access or views;
- 15 (viii) Enhancement of wildlife habitat; and
- 16 (ix) Scenic values of the site.
- 17 (b) For water access proposals:
- 18 (i) Community support for the project;
- 19 (ii) Distance from similar water access opportunities;
- 20 (iii) Immediacy of threat to the site;
- 21 (iv) Diversity of possible recreational uses; ((and))
- (v) Public demand in the area; and
- 23 (vi) Consistency with a local land use plan, or a regional or 24 statewide recreational or resource plan, including projects that assist 25 in the implementation of local shoreline master plans updated according 26 to RCW 90.58.080 or local comprehensive plans updated according to RCW 36.70A.130.
  - (7) Before ((October)) November 1st of each even-numbered year, the committee shall recommend to the governor a prioritized list of state agency projects to be funded under RCW 79A.15.050(1) (a), (c), and (d). The governor may remove projects from the list recommended by the committee and shall submit this amended list in the capital budget request to the legislature. The list shall include, but not be limited to, a description of each project; and shall describe for each project any anticipated restrictions upon recreational activities allowed prior to the project.
- 37 (8) Before ((October)) November 1st of each even-numbered year, the 38 committee shall recommend to the governor a prioritized list of all 39 local projects to be funded under RCW 79A.15.050(1) (b), (c), and (d).

- 1 The governor may remove projects from the list recommended by the
- 2 committee and shall submit this amended list in the capital budget
- 3 request to the legislature. The list shall include, but not be limited
- 4 to, a description of each project and any particular match requirement,
- 5 and describe for each project any anticipated restrictions upon
- 6 recreational activities allowed prior to the project.
- 7 Sec. 9. RCW 79A.15.080 and 1990 1st ex.s. c 14 s 9 are each 8 amended to read as follows:
- 9 The committee shall not sign contracts or otherwise financially obligate funds from the habitat conservation account  $((\frac{\partial \mathbf{r}}{\partial t}))_{\perp}$  the
- 11 outdoor recreation account, or the riparian protection account as
- 12 provided in this chapter before the legislature has appropriated funds
- 13 for a specific list of projects. The legislature may remove projects
- 14 from the list recommended by the governor.

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- NEW SECTION. Sec. 10. A new section is added to chapter 79.70 RCW to read as follows:
  - The state treasurer, on behalf of the department, must distribute to counties for all lands acquired for the purposes of this chapter an amount in lieu of real property taxes equal to the amount of tax that would be due if the land were taxable as open space land under chapter 84.34 RCW, plus an additional amount equal to the amount of weed control assessment that would be due if such lands were privately owned. The county assessor and county legislative authority shall assist in determining the appropriate calculation of the amount of tax that would be due under chapter 84.34 RCW. The county shall distribute the amount received under this section in lieu of real property taxes to all property taxing districts except the state in appropriate tax code areas the same way it would distribute local property taxes from private property. The county shall distribute the amount received under this section for weed control to the appropriate weed district.
- NEW SECTION. Sec. 11. A new section is added to chapter 79.71 RCW to read as follows:
- 33 The state treasurer, on behalf of the department, must distribute 34 to counties for all lands acquired for the purposes of this chapter an 35 amount in lieu of real property taxes equal to the amount of tax that 36 would be due if the land were taxable as open space land under chapter

84.34 RCW, plus an additional amount equal to the amount of weed control assessment that would be due if such lands were privately The county assessor and county legislative authority shall assist in determining the appropriate calculation of the amount of tax that would be due under chapter 84.34 RCW. The county shall distribute the amount received under this section in lieu of real property taxes to all property taxing districts except the state in appropriate tax code areas the same way it would distribute local property taxes from The county shall distribute the amount received private property. under this section for weed control to the appropriate weed district.

## **Sec. 12.** RCW 84.33.140 and 2003 c 170 s 5 are each amended to read 12 as follows:

- (1) When land has been designated as forest land under RCW 84.33.130, a notation of the designation shall be made each year upon the assessment and tax rolls. A copy of the notice of approval together with the legal description or assessor's parcel numbers for the land shall, at the expense of the applicant, be filed by the assessor in the same manner as deeds are recorded.
- (2) In preparing the assessment roll as of January 1, 2002, for taxes payable in 2003 and each January 1st thereafter, the assessor shall list each parcel of designated forest land at a value with respect to the grade and class provided in this subsection and adjusted as provided in subsection (3) of this section. The assessor shall compute the assessed value of the land using the same assessment ratio applied generally in computing the assessed value of other property in the county. Values for the several grades of bare forest land shall be as follows:

28	LAND	OPERABILITY	VALUES
29	GRADE	CLASS	PER ACRE
30		1	\$234
31	1	2	229
32		3	217
33		4	157
34		1	198
35	2	2	190

1		3	183
2		4	132
3		1	154
4	3	2	149
5		3	148
6		4	113
7		1	117
8	4	2	114
9		3	113
10		4	86
11		1	85
12	5	2	78
13		3	77
14		4	52
15		1	43
16	6	2	39
17		3	39
18		4	37
19		1	21
20	7	2	21
21		3	20
22		4	20
23	8		1

- (3) On or before December 31, 2001, the department shall adjust by rule under chapter 34.05 RCW, the forest land values contained in subsection (2) of this section in accordance with this subsection, and shall certify the adjusted values to the assessor who will use these values in preparing the assessment roll as of January 1, 2002. For the adjustment to be made on or before December 31, 2001, for use in the 2002 assessment year, the department shall:
- (a) Divide the aggregate value of all timber harvested within the state between July 1, 1996, and June 30, 2001, by the aggregate harvest volume for the same period, as determined from the harvester excise tax returns filed with the department under RCW 84.33.074; and
- (b) Divide the aggregate value of all timber harvested within the state between July 1, 1995, and June 30, 2000, by the aggregate harvest volume for the same period, as determined from the harvester excise tax returns filed with the department under RCW 84.33.074; and

(c) Adjust the forest land values contained in subsection (2) of this section by a percentage equal to one-half of the percentage change in the average values of harvested timber reflected by comparing the resultant values calculated under (a) and (b) of this subsection.

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- (4) For the adjustments to be made on or before December 31, 2002, and each succeeding year thereafter, the same procedure described in subsection (3) of this section shall be followed using harvester excise tax returns filed under RCW 84.33.074. However, this adjustment shall be made to the prior year's adjusted value, and the five-year periods for calculating average harvested timber values shall be successively one year more recent.
- (5) Land graded, assessed, and valued as forest land shall continue to be so graded, assessed, and valued until removal of designation by the assessor upon the occurrence of any of the following:
  - (a) Receipt of notice from the owner to remove the designation;
- (b) Sale or transfer to an ownership making the land exempt from ad valorem taxation;
- (c) Sale or transfer of all or a portion of the land to a new owner, unless the new owner has signed a notice of forest land designation continuance, except transfer to an owner who is an heir or devisee of a deceased owner, shall not, by itself, result in removal of designation. The signed notice of continuance shall be attached to the real estate excise tax affidavit provided for in RCW 82.45.150. notice of continuance shall be on a form prepared by the department. If the notice of continuance is not signed by the new owner and attached to the real estate excise tax affidavit, all compensating taxes calculated under subsection (11) of this section shall become due and payable by the seller or transferor at time of sale. The auditor shall not accept an instrument of conveyance regarding designated forest land for filing or recording unless the new owner has signed the notice of continuance or the compensating tax has been paid, evidenced by the real estate excise tax stamp affixed thereto by the The seller, transferor, or new owner may appeal the new treasurer. assessed valuation calculated under subsection (11) of this section to the county board of equalization in accordance with the provisions of RCW 84.40.038. Jurisdiction is hereby conferred on the county board of equalization to hear these appeals;
- 38 (d) Determination by the assessor, after giving the owner written 39 notice and an opportunity to be heard, that:

(i) The land is no longer primarily devoted to and used for growing and harvesting timber. However, land shall not be removed from designation if a governmental agency, organization, or other recipient identified in subsection (13) or (14) of this section as exempt from the payment of compensating tax has manifested its intent in writing or by other official action to acquire a property interest in the designated forest land by means of a transaction that qualifies for an exemption under subsection (13) or (14) of this section. The governmental agency, organization, or recipient shall annually provide the assessor of the county in which the land is located reasonable evidence in writing of the intent to acquire the designated land as long as the intent continues or within sixty days of a request by the assessor. The assessor may not request this evidence more than once in a calendar year;

- (ii) The owner has failed to comply with a final administrative or judicial order with respect to a violation of the restocking, forest management, fire protection, insect and disease control, and forest debris provisions of Title 76 RCW or any applicable rules under Title 76 RCW; or
- (iii) Restocking has not occurred to the extent or within the time specified in the application for designation of such land.
- (6) Land shall not be removed from designation if there is a governmental restriction that prohibits, in whole or in part, the owner from harvesting timber from the owner's designated forest land. If only a portion of the parcel is impacted by governmental restrictions of this nature, the restrictions cannot be used as a basis to remove the remainder of the forest land from designation under this chapter. For the purposes of this section, "governmental restrictions" includes:

  (a) Any law, regulation, rule, ordinance, program, or other action adopted or taken by a federal, state, county, city, or other governmental entity; or (b) the land's zoning or its presence within an urban growth area designated under RCW 36.70A.110.
- (7) The assessor shall have the option of requiring an owner of forest land to file a timber management plan with the assessor upon the occurrence of one of the following:
  - (a) An application for designation as forest land is submitted; or
- (b) Designated forest land is sold or transferred and a notice of continuance, described in subsection (5)(c) of this section, is signed.

(8) If land is removed from designation because of any of the circumstances listed in subsection (5)(a) through (c) of this section, the removal shall apply only to the land affected. If land is removed from designation because of subsection (5)(d) of this section, the removal shall apply only to the actual area of land that is no longer primarily devoted to the growing and harvesting of timber, without regard to any other land that may have been included in the application and approved for designation, as long as the remaining designated forest land meets the definition of forest land contained in RCW 84.33.035.

- (9) Within thirty days after the removal of designation as forest land, the assessor shall notify the owner in writing, setting forth the reasons for the removal. The seller, transferor, or owner may appeal the removal to the county board of equalization in accordance with the provisions of RCW 84.40.038.
- (10) Unless the removal is reversed on appeal a copy of the notice of removal with a notation of the action, if any, upon appeal, together with the legal description or assessor's parcel numbers for the land removed from designation shall, at the expense of the applicant, be filed by the assessor in the same manner as deeds are recorded and a notation of removal from designation shall immediately be made upon the assessment and tax rolls. The assessor shall revalue the land to be removed with reference to its true and fair value as of January 1st of the year of removal from designation. Both the assessed value before and after the removal of designation shall be listed. Taxes based on the value of the land as forest land shall be assessed and payable up until the date of removal and taxes based on the true and fair value of the land shall be assessed and payable from the date of removal from designation.
- (11) Except as provided in subsection (5)(c), (13), or (14) of this section, a compensating tax shall be imposed on land removed from designation as forest land. The compensating tax shall be due and payable to the treasurer thirty days after the owner is notified of the amount of this tax. As soon as possible after the land is removed from designation, the assessor shall compute the amount of compensating tax and mail a notice to the owner of the amount of compensating tax owed and the date on which payment of this tax is due. The amount of compensating tax shall be equal to the difference between the amount of tax last levied on the land as designated forest land and an amount

equal to the new assessed value of the land multiplied by the dollar rate of the last levy extended against the land, multiplied by a number, in no event greater than nine, equal to the number of years for which the land was designated as forest land, plus compensating taxes on the land at forest land values up until the date of removal and the prorated taxes on the land at true and fair value from the date of removal to the end of the current tax year.

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- (12) Compensating tax, together with applicable interest thereon, shall become a lien on the land which shall attach at the time the land is removed from designation as forest land and shall have priority to and shall be fully paid and satisfied before any recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the land may become charged or liable. The lien may be foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent real property taxes as provided in RCW 84.64.050. Any compensating tax unpaid on its due date shall thereupon become delinquent. From the date of delinquency until paid, interest shall be charged at the same rate applied by law to delinquent ad valorem property taxes.
  - (13) The compensating tax specified in subsection (11) of this section shall not be imposed if the removal of designation under subsection (5) of this section resulted solely from:
  - (a) Transfer to a government entity in exchange for other forest land located within the state of Washington;
  - (b) A taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of such power;
- (c) A donation of fee title, development rights, or the right to harvest timber, to a government agency or organization qualified under RCW 84.34.210 and 64.04.130 for the purposes enumerated in those sections, or the sale or transfer of fee title to a governmental entity or a nonprofit nature conservancy corporation, as defined in RCW 64.04.130, exclusively for the protection and conservation of lands recommended for state natural area preserve purposes by the natural heritage council and natural heritage plan as defined in chapter 79.70 RCW or approved for state natural resources conservation area purposes as defined in chapter 79.71 RCW. At such time as the land is not used for the purposes enumerated, the compensating tax specified in

subsection (11) of this section shall be imposed upon the current owner;

- (d) The sale or transfer of fee title to the parks and recreation commission for park and recreation purposes;
- (e) Official action by an agency of the state of Washington or by the county or city within which the land is located that disallows the present use of the land;
- 8 (f) The creation, sale, or transfer of forestry riparian easements 9 under RCW 76.13.120;
  - (g) The creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040;
    - (h) The sale or transfer of land within two years after the death of the owner of at least a fifty percent interest in the land if the land has been assessed and valued as classified forest land, designated as forest land under this chapter, or classified under chapter 84.34 RCW continuously since 1993. The date of death shown on a death certificate is the date used for the purposes of this subsection (13)(h); or
    - (i) The sale or transfer of land after the death of the owner of at least a fifty percent interest in the land if the land has been assessed and valued as classified forest land, designated as forest land under this chapter, or classified under chapter 84.34 RCW continuously since 1993 and the sale or transfer takes place after July 22, 2001, and on or before July 22, 2003, and the death of the owner occurred after January 1, 1991. The date of death shown on a death certificate is the date used for the purposes of this subsection (13)(i).
    - (14) In a county with a population of more than one million inhabitants, the compensating tax specified in subsection (11) of this section shall not be imposed if the removal of designation as forest land under subsection (5) of this section resulted solely from:
      - (a) An action described in subsection (13) of this section; or
  - (b) A transfer of a property interest to a government entity, or to a nonprofit historic preservation corporation or nonprofit nature conservancy corporation, as defined in RCW 64.04.130, to protect or enhance public resources, or to preserve, maintain, improve, restore, limit the future use of, or otherwise to conserve for public use or

enjoyment, the property interest being transferred. At such time as the property interest is not used for the purposes enumerated, the compensating tax shall be imposed upon the current owner.

- Sec. 13. RCW 77.12.203 and 1990 1st ex.s. c 15 s 11 are each amended to read as follows:
- (1) Notwithstanding RCW 84.36.010 or other statutes to the contrary, the director shall pay by April 30th of each year on game lands in each county, if requested by an election under RCW 77.12.201, an amount in lieu of real property taxes equal to that amount paid on similar parcels of open space land taxable under chapter 84.34 RCW or the greater of seventy cents per acre per year or the amount paid in 1984 plus an additional amount for control of noxious weeds equal to that which would be paid if such lands were privately owned. This amount shall not be assessed or paid on department buildings, structures, facilities, game farms, fish hatcheries, tidelands, or public fishing areas of less than one hundred acres.
- (2) "Game lands," as used in this section and RCW 77.12.201, means those tracts one hundred acres or larger owned in fee by the department and used for wildlife habitat and public recreational purposes. All lands purchased for wildlife habitat, public access or recreation purposes with federal funds in the Snake River drainage basin shall be considered game lands regardless of acreage.
- 23 (3) This section shall not apply to lands transferred after April 24 23, 1990, to the department from other state agencies.
- 25 (4) The county shall distribute the amount received under this
  26 section in lieu of real property taxes to all property taxing districts
  27 except the state in appropriate tax code areas the same way it would
  28 distribute local property taxes from private property. The county
  29 shall distribute the amount received under this section for weed
  30 control to the appropriate weed district.
- NEW SECTION. Sec. 14. This act takes effect July 1, 2005."

## <u>2SSB 6082</u> - H COMM AMD By Committee on Capital Budget

On page 1, line 2 of the title, after "programs;" strike the remainder of the title and insert "amending RCW 79A.15.010, 79A.15.030, 79A.15.040, 79A.15.050, 79A.15.060, 79A.15.070, 79A.15.080, 84.33.140, and 77.12.203; adding new sections to chapter 79A.15 RCW; adding a new section to chapter 79.70 RCW; adding a new section to chapter 79.71 RCW; and providing an effective date."

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